

~~SECRET~~

DPS-0416
Copy / of 5.

9 May 1958

MEMORANDUM FOR : Mr. Bissell
SUBJECT : Concept of Operations

25X1
1. As you know, during your trip to Europe, the Project Staff began drawing up our concept of operations for FY 1959-60. We also are underway on getting the various component budget estimates into [] hands so that the budget estimate can be ready for your attention by 19 May 1958.

2. During our formalizing and discussion of the concept of operations I had this divided into two efforts: concept of operations for CHALICE, and concept of operations for GUSTO. I had this division made as a result of some of our early discussions with security on how best to start and carry out the GUSTO program and not have it contaminated from birth by the erosion of security which has befallen CHALICE over the past three years. I believe our recent change in the administrative handling of CHALICE, GUSTO, etc., would tend to substantiate the approach we have taken to separate these two concepts of operations.

25X1
3. While the concept of CHALICE operations is not too clear for the next year, it offers us sufficient tangible capability to prepare a reasonable budget document. On the other hand GUSTO is very foggy both as to technical feasibility and future mode of operations. Accordingly, nothing has yet been placed on paper in meaningful form and until we know a little more about the technical possibilities, little more than an estimated cost of opening [] and some development and production budget estimates can be rightfully entered on paper.

4. If you concur in separating the two concepts of operation, I will have the Ops Staff direct their final study along these lines. Further, it would help if we could spend a few minutes with you to explain the uncertainty we experienced in planning the GUSTO concept.

25X1
[]
Deputy Project Director

CONCUR, para. 4:

25X1
[] MAY 13 1958

PROJECT DIRECTOR

~~SECRET~~

Cy 1 - RMB JAG
2 - Ops
3 - Fin
4 - JAG
5 - DPS Chron